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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/605,551

10/08/2003

Jennifer B. Owens

014033-014

2550

24239 7590 02/02/2009

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EXAMINER

JEANTY, ROMAIN

ART UNIT

PAPER NUMBER

3624

MAIL DATE

DELIVERY MODE

02/02/2009

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/605,551	<b>Applicant(s)</b> OWENS ET AL.	
	<b>Examiner</b> Romain Jeanty	<b>Art Unit</b> 3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 29 October 2008.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-71 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-71 is/are rejected.
- 7) ☒ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

### **DETAILED ACTION**

1. This Office Action is in response to the communication received on October 9, 2008. Claims 1-71 are pending in the application.

### ***Response to Arguments***

- 2 Applicant's arguments with respect to claims 1-71 have been considered but are moot in view of the new ground(s) of rejection.

### ***Claim Rejections - 35 USC § 101***

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1-22, 45-71 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory

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process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a particular machine. Thus, claims 1-22, 45-71 are non-statutory since they may be performed within the human mind.

### **Claim Rejections - 35 USC § 103**

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-3, 6-25, 28-55 and 58-71 are rejected under 35 U.S.C. 103(a) as being unpatentable over Chakib Kara-Zaitri et al "Chakib" (A Smart Failure Mode and Effect Analysis Package) in view of Moore et al (US 20040059589)

Regarding claims 1, 21-22, 44-45, 53-54, 66-71, Chakib discloses a method of managing operational risk for an organization, the method comprising:

identifying at least one failure mode for a function of the organization, identifying

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at least one cause and at least one effect for at least one of the at least one failure mode Page (414);

acquiring ratings associated with the at least one cause and the at least one effect (i.e., severity rating of the effect of failure; Page 414);

producing a risk prioritization report of the at least two risk items based at least in part on the ratings associated with the at least one cause and the at least one effect (i.e., analyze the risk effects; Pages 414 and 417).

Chakib teaches all of the limitations above but Chakib fails to explicitly disclose permuting the at least one failure mode, the at least one cause, and the at least one effect to define at least two risk items. However, Moore teaches a method for managing risk in which risks are changed (permuted) to define one or more risk items (Paragraph 0045). It would have been obvious to a person of ordinary skill in the art to modify the disclosures of Chakib to include the teachings of Moore because this modification would identify at least one risk associated with the process, the identification occurring at a lower-tier, assessing an impact of the risk, the assessment occurring at the lower-tier, and delivering a direct assurance to an upper tier of the multi-tiered organization.

Regarding claims 2, 24 and 46, Chakib fails to explicitly disclose recording a mitigation plan associated with at least one of the at least two risk items in the risk prioritization report and tracking implementation of the mitigation plan. However, Moore discloses the concept of mitigation plan. It would have been obvious to a person of ordinary skill in the art to include this well known feature into the teachings of Chakib and Moore in order to identify at least one risk associated with the process, the

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identification occurring at the lower-tier, assessing an impact of the risk, the assessment occurring at the lower-tier, and delivering a direct assurance to an upper tier of the multi-tiered organization.

Regarding claims 3, 25 and 55, Chakib further discloses wherein the ratings further include a severity rating and a response rating associated with each of the at least one effect; and an occurrence rating and a detection rating associated with each of the at least one cause. Note Page 414.

Regarding claims 6 and 28, Chakib further discloses wherein the ratings further comprise a severity rating and a response rating associated with each of the at least one effect, and an occurrence rating and a detection rating associated with each of the at least one cause (Page 416).

Regarding claims 7 and 29, Chakib further discloses calculating a criticality based on the severity rating and the occurrence rating, calculating a risk priority number based on the severity rating, the occurrence rating and the detection rating, and calculating an adjusted criticality based on the criticality, the severity rating, and the response rating (Page 416).

Regarding claims 8, 30, Chakib further discloses determining whether the at least one effect is related to at least one of a group consisting of compliance and strategic planning; wherein the producing of the risk prioritization report further comprises determining whether each of the at least two risk items represents at least one of a group consisting of a compliance related risk, a strategic planning related risk, a hidden factory, and a tail event (Pages 416-417).

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Regarding claims 9-16, 31-38, 47-52, 58, 60, 62, 64, the combination of Chakib and Moore fails to teach the claimed features. Official Notice is taken that these features are old and well known features that are claimed when calculating risks. Incorporating these claimed features in the disclosures of Chakib and Moore would have been obvious to a person of ordinary skill in the art with the motivation to flag automatically within the evidence tree risk acceptance criteria, underwriting guideline failure, and overriding rules.

Regarding claim 17-20, 39-43, 59, 61, 63, 65 the combination of Chakib and Moore fails to teach the claimed features. However, Official Notice is taken that it is old and well known in the financial art to quantify risk items based on financial data in order to manage various types of risks associated with services provided by a financial institution. Incorporating these teachings in the disclosures of Chakib and Moore would have been obvious to a person of ordinary skill in the art with the motivation to manage various types of risks associated with services provided by a financial institution.

Regarding claim 23, claim is a computer program product comprising a computer program for facilitating risk assessment and control for an organization, for performing the steps of method claim 1 above. Therefore claim 23 is rejected for the same reasons set forth above in claim 1.

### ***Allowable Subject Matter***

6. Claims 4-5, 56-57 are objected to as being dependent upon a rejected base claim, but would be allowable if overcome the 101 rejection and if rewritten in

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independent form including all of the limitations of the base claim and any intervening claims.

Claims 26-27 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

### **Remarks**

7. Applicant asserted that the combination of Chakib and Gaspore fails to teach the claimed invention. Applicant further supported his assertion by arguing that Gaspore fails to teach permuting the at least one failure mode, the at least one cause, and the at least one effect to define at least two risk items. In response, applicant is referred to the new ground of rejection in paragraph 5 above.

Applicant further requests that the examiner provide cited prior art to support the taken of Official Notice. In response, the examiner notes that Moore teaches the concept of risk prioritization and mitigation plan. Note paragraph 0045 of Moore.

### **Conclusion**

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

a. Barnard et al (US patent 5,586,252), provides a more efficient means of identifying failure modes, and the effects of failure modes, as well as for estimating



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frequencies of occupance, severity of effects, and likelihood of detection, which allow a risk prioritization number to be calculated.

b. Yacoub (A Methodology for Architectural-Level Risk Assessment Using Dynamic Metrics), discloses a method for assessing risks.

c. Beroggi et al (Operational Risk Management: A New Paradigm for Decision Making) discloses a method for managing risks.

d. V.Car ( A fuzzy approach to construction project risk assessment and analysis: construction project risk management system) discloses a system for assessing and analyzing risks relating to a project.

e. Ma (The incorporation of stochasticity in risk analysis and management: A case study) discloses a method for assessing risks.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Romain Jeanty whose telephone number is (571) 272-6732. The examiner can normally be reached on Mon-Thurs 7:30 am to 6:00 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Bradley Bayat can be reached on (571) 272-6704. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Romain Jeanty/  
Primary Examiner  
Art Unit 3624  
January 21, 2008